

Digest of County Revenues From State and Federal Sources

We reviewed the county revenues for six county administered programs in the state. Specifically, the programs we reviewed were Mental Health, Substance Abuse, Aging, Family Services, Youth Corrections and Public Health. The audit request stated that there were concerns with the equitable allocation of funding in these programs. After our initial survey of the six programs, we decided to review some of them in more depth. Since three programs (i.e., Family Services, Youth Corrections and Public Health) are funded through contracts rather than funding formulas, we chose to examine the other three (i.e., Mental Health, Substance Abuse and Aging) and perform some measurements to determine per-capita revenues. We conducted limited testing to produce the per-capita figures that were requested.

Individual county per-capita data did not exist at the division or county levels for Mental Health, Substance Abuse and Aging because these programs are organized into multiple county agencies known as catchments or areas. Because of this lack of data, we attempted to extract county by county per-capita data from existing catchment and area revenue data provided by the respective divisions. This process was difficult and although we are confident that the per-capita figures are reasonably accurate, we cannot guarantee their complete accuracy.

Per-capita Revenues for Mental Health, Substance Abuse and Aging

We reviewed revenue data from fiscal years 1994, 1995 and budget data for 1996 for Mental Health, Substance Abuse and Aging. The following county per-capita figures are for fiscal year 1995, which is the most recent and completed year for revenue data. For comparison's sake, we have noted the five urban counties that do not receive rural differential funds, with an asterisk. When the funding formulas were developed for these programs, there was a recognized need that the smaller, rural counties needed funding above their population allocation so additional money is given in the form of this rural differential. For this reason the rural counties often have exceedingly high per-capita totals.

Mental Health

The state is divided into 12 mental health catchment areas that administer the programs. We broke the catchments into counties and determined the mental health formula, non-formula and total expenditures for fiscal year 1995. A comparison of total revenues reveals a great disparity between per-capita totals. The rural differential is one reason why the counties are so varied. Total 1995 revenues for the rural counties ranged from \$10.41 for Washington

County on the low end, to \$17.46 for San Juan County on the high end. The five counties that did not receive a rural differential experienced a \$2.44 spread with Davis County on the low end with \$8.67 and Weber County receiving \$11.11 per-capita on the high end.

Formula revenues appear to be allocated equitably among the counties. The rural differential accounts for the variance that does exist, as more dollars per-capita are allocated to the less populated counties. Non-formula funds account for the biggest difference in county per-capita revenues in Mental Health. This money does not go through the formula, but is allocated on either a patient by patient, fee for service, lump-sum or contract basis.

Substance Abuse

There are 13 local area agencies that administer substance abuse programs in the state. We were able to break the agencies into counties and determine the formula, non-formula and total revenue figures for fiscal year 1995. Total revenues in Substance Abuse show a dramatic variance in per-capita dollars. For all counties combined, Utah County has the lowest per-capita total with \$6.85 and Daggett County far exceeds all counties with \$24.31. The next highest county is Piute with \$15.64 per-capita. The reason these county figures are so high is that the populations are very small, which greatly skews the per-capita figures. As with Mental Health, the rural differential also has a significant impact on the figures. When only the urban counties are compared, the difference is much less.

Area Agencies on Aging

There are 12 area agencies that administer the aging programs in the state. We were not able to break out revenues into formula and non-formula data. The aging programs formula is extremely complex and the demographic figures necessary to compute the per-capita figures were compiled by catchment area, not county. For these reasons, we were not able to break-down revenues into individual county totals. The range for total revenues in aging starts with \$3.95 for Wasatch and Utah Counties, and ends with \$16.54 for San Juan County, which is a single-county agency. Again, the rural differential plays a large part in explaining area per-capita differences.

Non-formula Funds are the Source of County Per-capita Differences

Mental Health non-formula programs, which are not funded through the formula, create the disparity in total per-capita funds among the counties. We chose to analyze Mental Health in-depth because this program had the largest total revenues for 1994, 1995 and 1996, and therefore demonstrated more risk than Substance Abuse and Aging. We focused our analysis on the four largest mental health centers in the state, namely Weber, Davis, Salt Lake and Wasatch (Utah) Mental Health Centers.

Mental Health Formula Revenues are Allocated Equitably

We examined 1996 state and federal general revenue allocations in Mental Health for the four largest mental health centers. We used the 1996 revenue allocation data for this in-depth review because we were interested in how non-formula allocations differed among the counties. In conducting this review, we found that the funding formula is equitably allocating money. The formula is based on population, so each county should receive an equitable allocation. The formula dollars represent 84% of total revenues for Mental Health in 1996 and per-capita totals for the urban counties range from \$9.77 to \$9.10, demonstrating a similar per-capita distribution.

Non-formula Programs are the Source of County Per-capita Disparities

The disparity between per-capita county revenues in Mental Health lies in the non-formula funded programs, specifically the three following programs; Institutions for the Mentally Disable (IMD)/Diversion, Utah State Hospital Out Placement, and Nursing Home Out Movement. These programs represent 16% of total revenues for Mental Health in 1996.

Salt Lake and Weber receive the bulk of program funds compared to Wasatch and Davis. Salt Lake receives \$1.93 per-capita as compared to Weber with \$1.76, Wasatch with \$0.70 and Davis with \$0.21. We found that the Salt Lake, Weber and Wasatch IMD and Nursing Home programs significantly contribute to the total per-capita funds for the respective centers, whereas Davis does not receive money for these programs. The three centers that receive Nursing Home and IMD funds provide the necessary services to receive this money and as mentioned above, funding for these programs follows the individual patients on a fee for service basis.